

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	
ADJUSTMENT FILING OF ELAM)	CASE NO. 2005-00226
UTILITY COMPANY)	

ORDER

On October 24, 2003, in Case No. 2003-00171, the Commission approved rates for Elam Utility Company (“Elam”) and provided for their further adjustment on a quarterly basis in accordance with Elam’s gas cost adjustment (“GCA”) clause.¹

On June 15, 2005, Elam filed its proposed GCA to be effective July 1, 2005. On June 28, 2005, Elam supplied additional information on its Expected Gas Cost (“EGC”) to reflect its current contract prices. This information required revisions to the rates set forth in its original notice.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Elam’s notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Elam’s EGC is \$8.6904, which is 53.97 cents per Mcf more than the previously approved EGC of \$8.1507.
3. Elam’s notice sets out no current refund adjustment (“RA”).

¹ Case No. 2003-00171, A Review of the Rates of Elam Utility Company, Inc. Pursuant to the Decision to Approve the Financing Requested in Case No. 2001-00324, Order dated October 24, 2003.

4. Elam's notice sets out a current quarter actual adjustment ("AA") of 60.1 cents per Mcf. Elam's total AA is 10.43 cents per Mcf, which is an increase of 68.46 cents per Mcf from the previous total AA.

5. Elam's notice sets out no current quarter balance adjustment ("BA"). Elam's notice sets out no total BA. Elam has a previous quarter BA of (62.5) cents per Mcf that should be carried forward through October 2005. Elam's total BA is (62.5) cents per Mcf, which is no change from the previous total BA.

6. Elam's revised GCA is \$8.1697 per Mcf, which is \$1.2243 per Mcf more than the previous GCA of \$6.9454.

7. The rates in the Appendix to this Order are fair, just and reasonable, and should be approved for billing for service rendered by Elam on and after July 15, 2005. As KRS 278.180 requires a utility to provide 30 days' notice of a rate revision, Elam's rate revision cannot take effect until that date.

IT IS THEREFORE ORDERED that:

1. Elam's proposed rates are denied.
2. The rates in the Appendix to this Order are approved for billing for service rendered on and after July 15, 2005.
3. Within 20 days of the date of this Order, Elam shall file with this Commission its revised tariff sheets setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 8th day of July, 2005.

By the Commission

ATTEST:


Executive Director

Case No. 2005-00226

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2005-00226 DATED July 8, 2005

The following rates and charges are prescribed for the customers served by Elam Utility Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

Residential

	<u>Base Rate</u>	<u>Gas Cost Adjustment</u>	<u>Total</u>
Customer Charge			\$6.15
All Mcf	\$4.2999	\$8.1697	\$12.4696

Industrial

Customer Charge			\$9.00
All Mcf	\$3.8101	\$8.1697	\$11.9798